



SCHOOL FINANCE 101 & SCHOOL OPERATIONS



Jeffco U – December 13, 2017
Kathleen Askelson, Chief Financial Officer
Steve Bell, Chief Operating Officer



SCHOOL FINANCE 101

AGENDA

- ➔ **Colorado School Finance**
- ➔ **Individual District Finance**
- ➔ **State Outlook**
- ➔ **2018-2019 Budget**
- ➔ **Two-Part Budgeting Process:
Student Based Budgeting
Budgeting for Outcomes**



COLORADO SCHOOL FINANCE

CO School Finance

TOTAL PROGRAM Funding

The amount each school district receives through the funding formula prescribed in the *School Finance Act*.

Based on pupil counts and other *“factors”* outlined in the formula plus funding for at-risk and on-line students.

Funded with a *mix of state (income and sales) and local (property) tax*. Each district’s mix can be different.



**Current
school
finance is
legislated
by the state
and was
last revised
in 1994.**

State Formula

COLORADO SCHOOL FINANCE ACT



**Legislated
each year
with a
new bill.**



**Required
to fund
inflation
and
growth.**



**Kindergarten
funded at .58
of an 1.0 FTE.**



CO School Finance

**Base Funding
is adjusted
annually
for inflation**

and adjusted by factors

Cost of living

Negative factor

Personnel & non-personnel costs

Size of district



**BUDGET
STABILIZATION
FACTOR**

Tool used to balance state budget.

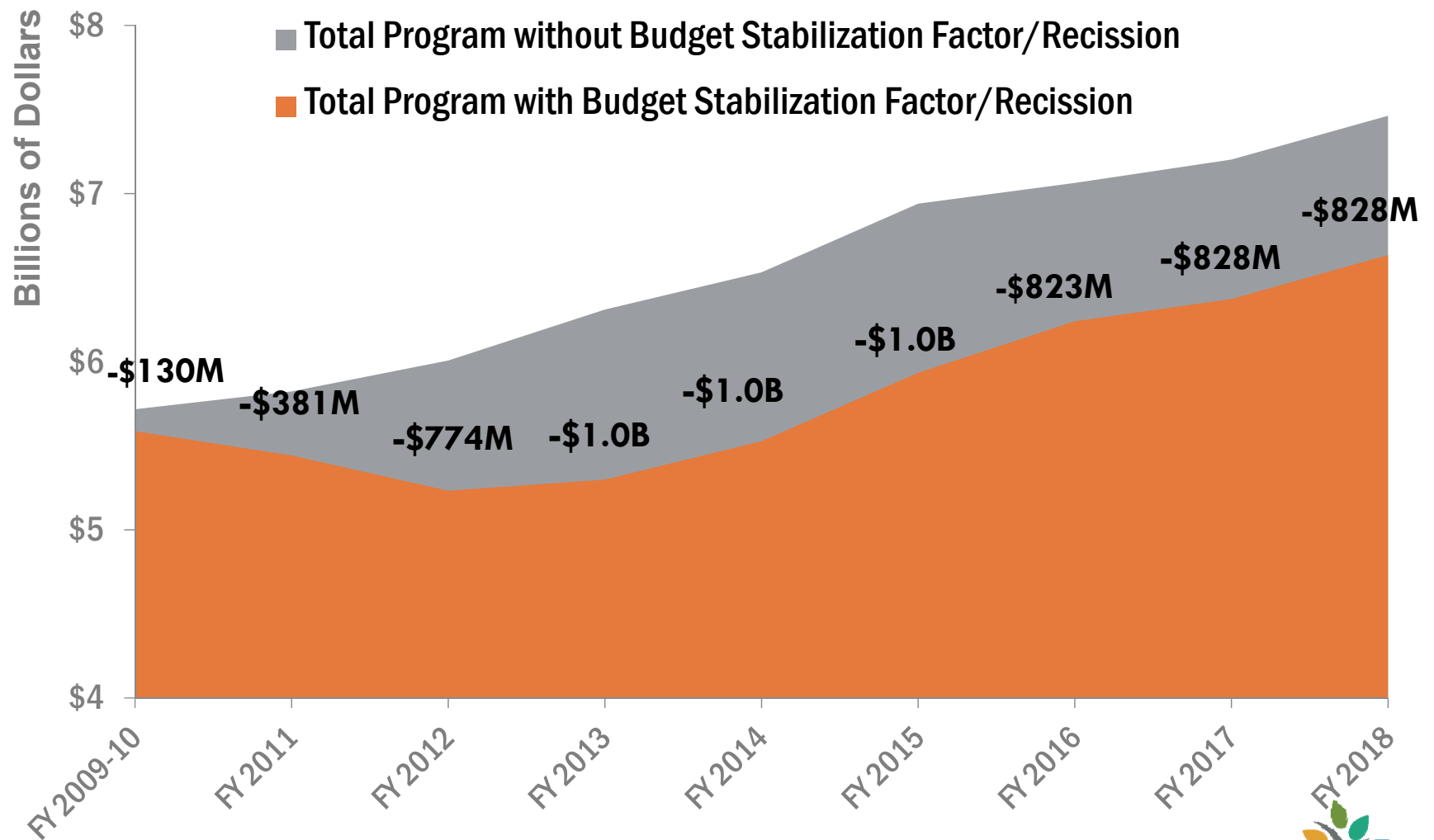
Reduces what would otherwise be funded if School Finance Act was applied as intended.

Implemented in 2009-2010.

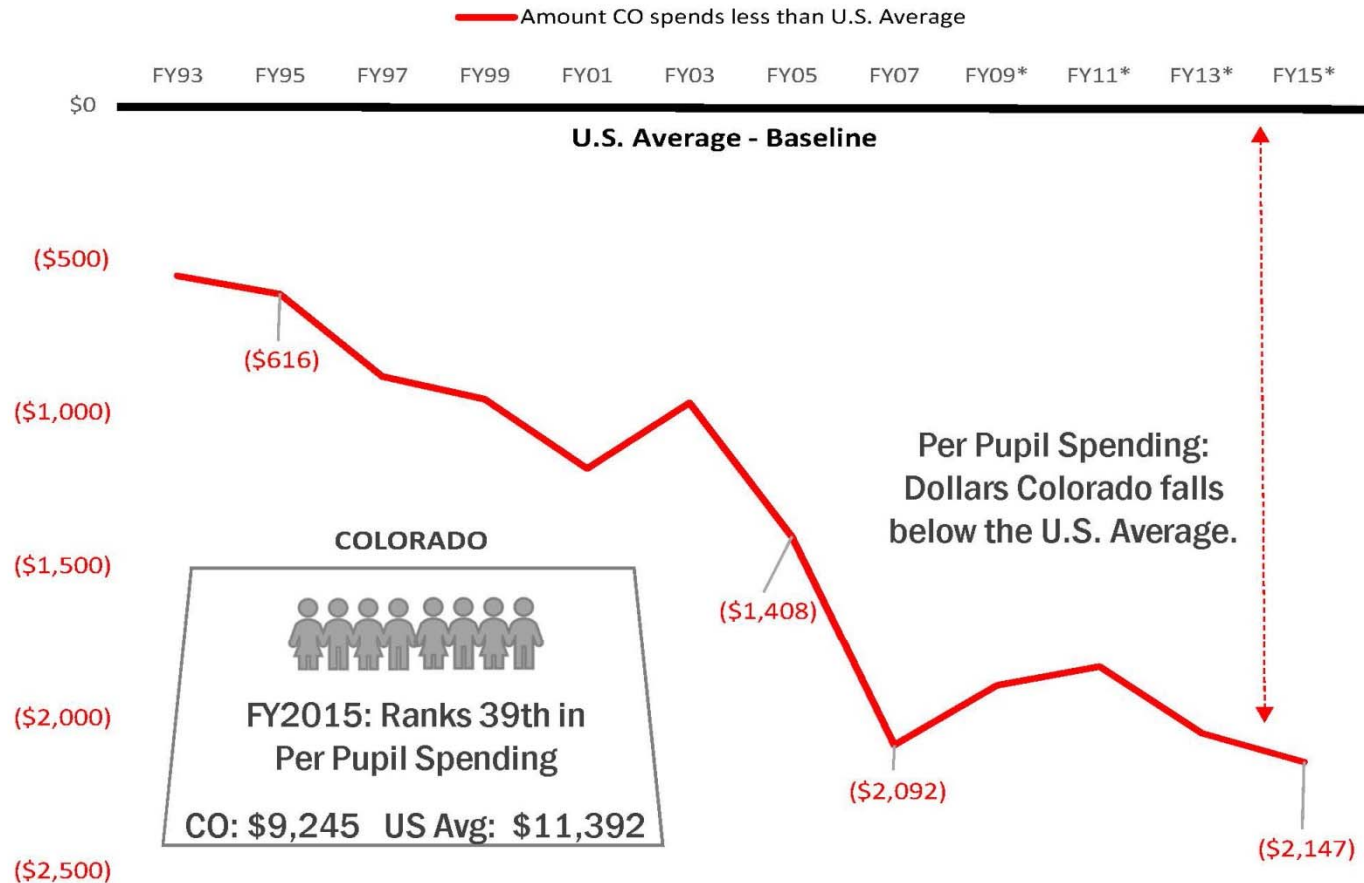
2017-18 is \$828M in total with **\$76M for Jeffco**

CO School Finance

SCHOOL FINANCE Formula



Colorado Per Pupil Spending Continues to Fall Further From the U.S. Average



Data: U.S. Census | Chart: Colorado School Finance Project

*Budget Stabilization Factor (formerly Negative Factor)

Source: www.cosfp.org

CO School Finance

TOTAL PROGRAM Funding

**Funded
Pupil
Count
(Oct 1)**

X

**Per Pupil
Funding
Amount**

+

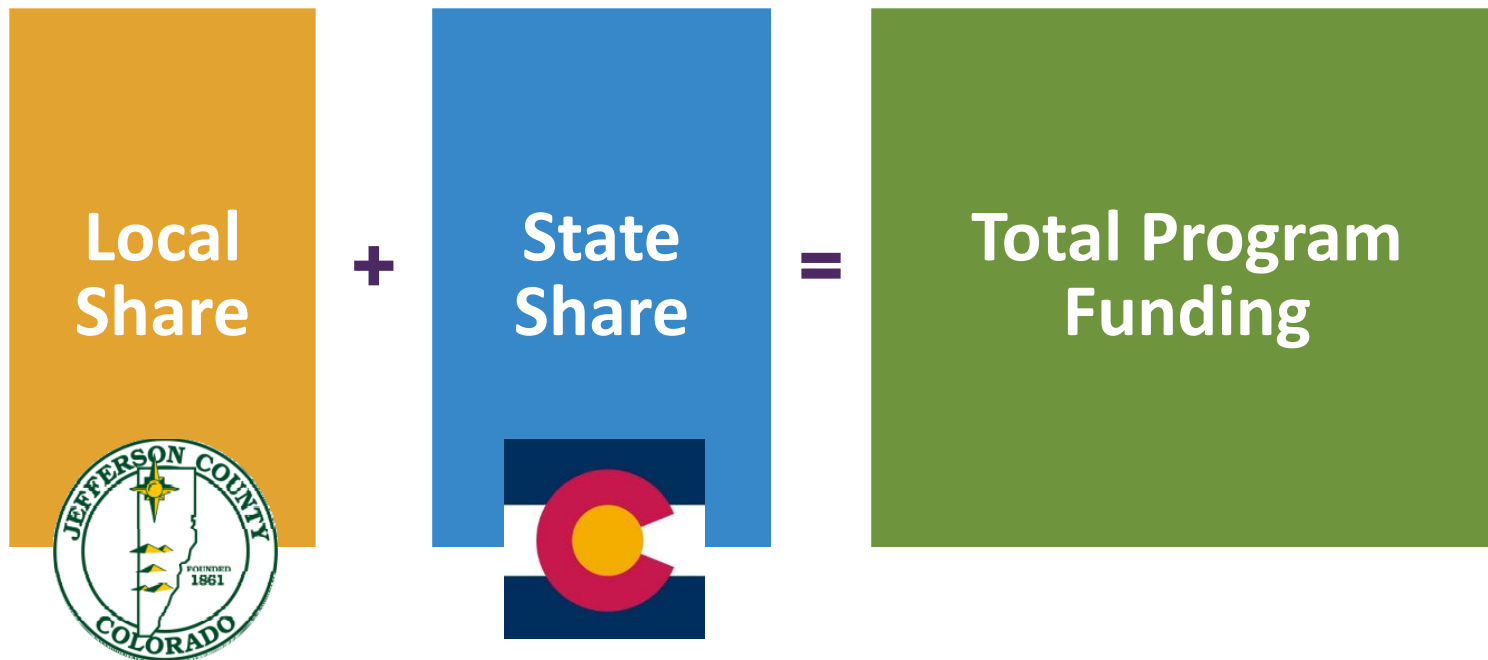
**At-Risk
Pupil
Funding**

+

**Online
Pupil
Funding**



The two sources of revenue that combine to equal **Total Program Funding**.



LOCAL SHARE is:

Received through property tax collections at the county level and a portion of specific ownership tax.

Property valuations are set by the county assessor

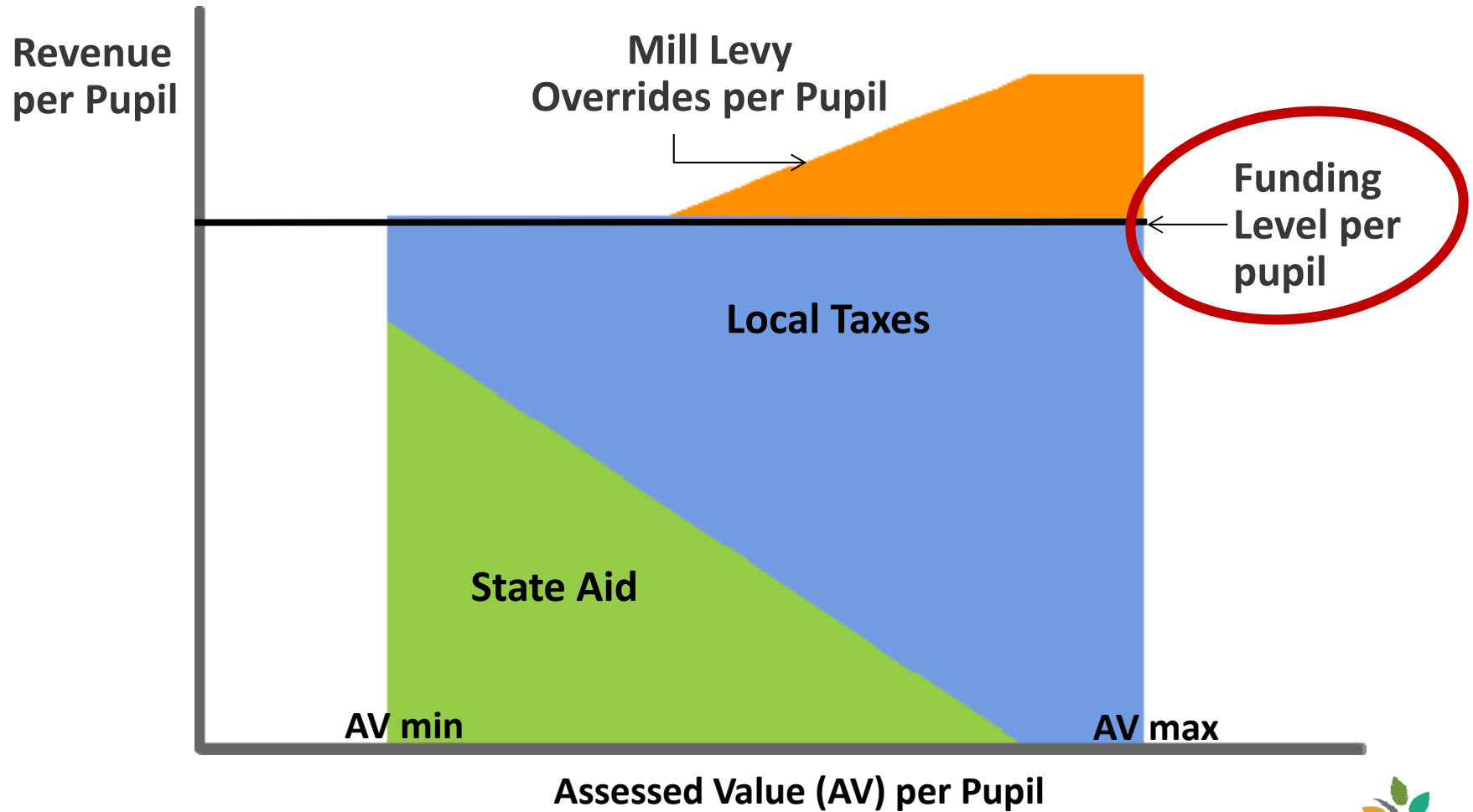
- ▶ Assessed value for residential property equals 7.2% of the actual value of the property (commercial property is 29%)

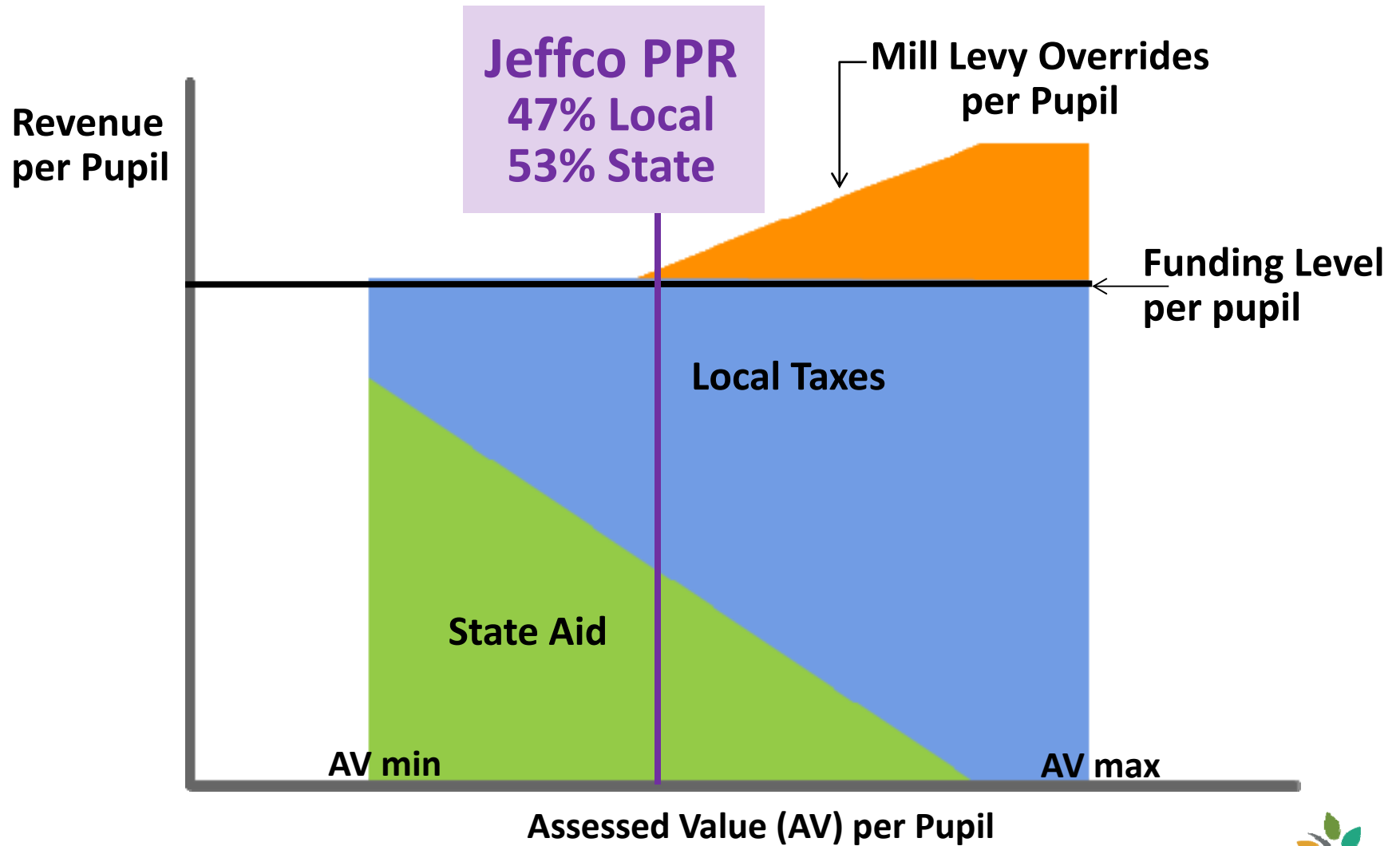
A set (or frozen) mill is levied by districts

- ▶ A mill is one-tenth of one percent (.001)

STATE SHARE is the **difference** between the amount of local share revenue that districts generate (property tax & and specific ownership tax) and the amount of the Total Program Funding.

- ▶ State funding is necessary if local share does not fully fund Total Program.
- ▶ The state share amount is funded via state income tax and sales and use tax.





State	Per Pupil Spending
DC	\$29,949
NY	\$24,116
AK	\$22,338
CT	\$21,484
NJ	\$21,097
WY	\$20,889
VT	\$20,291
MA	\$18,387
PA	\$17,937
RI	\$17,416
US Avg.	\$13,246
CO	\$11,010

Source: US Census Bureau 2015 Public Elementary-Secondary Education Finance Data





INDIVIDUAL DISTRICT FINANCE

Mill Levy Overrides (MLO)

- ▶ MLO is additional revenue outside of the Total Program Formula
- ▶ Limited to 25% of Total Program
- ▶ Is not included in the total for the local share and, therefore, does not affect the amount of state share funding

Capital Projects – Bond Mill levies

- ▶ Proceeds and expenditures from debt authorization in separate capital fund
- ▶ Bond mill revenue flows to debt service fund for repayment of debt

Mill Levy Overrides

- 1998 – Defeated**
- 1999 – \$35.8 Million (\$45 Million authorized)**
- 2004 – \$38.5 Million**
- 2008 – Defeated**
- 2012 – \$39 Million**
- 2016 – Defeated**

TOTAL– \$113.3 Million (set amount)

Note: Mill levies continue unless changed by election.



Bond Levy

1998 – \$265 Million

2004 – \$323.8 Million

2008 – Defeated

2012 – \$99 Million

2016 – Defeated

Note: Bond levies end with repayment of the debt.

District Finance

COMPARISONS to Other Districts

Comparisons Per Pupil Revenue, Mill Levy and Bond

District	# of Students	State Per Pupil Funding 16/17	Mill Levy Override Per Pupil 15/16	Outstanding Bonds Per Pupil 14/15
Denver	91,132	\$7,686	\$2,208	\$15,727
Jeffco	86,347 (2 nd)	\$7,245 (4 th)	\$1,312 (5 th)	\$4,833 (6 th)
Douglas	67,470	\$7,154	\$500	\$5,073
C. Creek	54,815	\$7,387	\$1,980	\$8,360
Boulder	31,189	\$7,351	\$2,152	\$17,964
Littleton	15,517	\$7,146	\$1,857	\$9,132

Let's do some research!



- ▶ Review the tax bills packet.
- ▶ Find the school district mill levies:
 - What is the general fund levy?
 - What is the bond levy?
 - How do they compare on the two bills?
- ▶ What is the largest tax on the bill?



STATE OUTLOOK

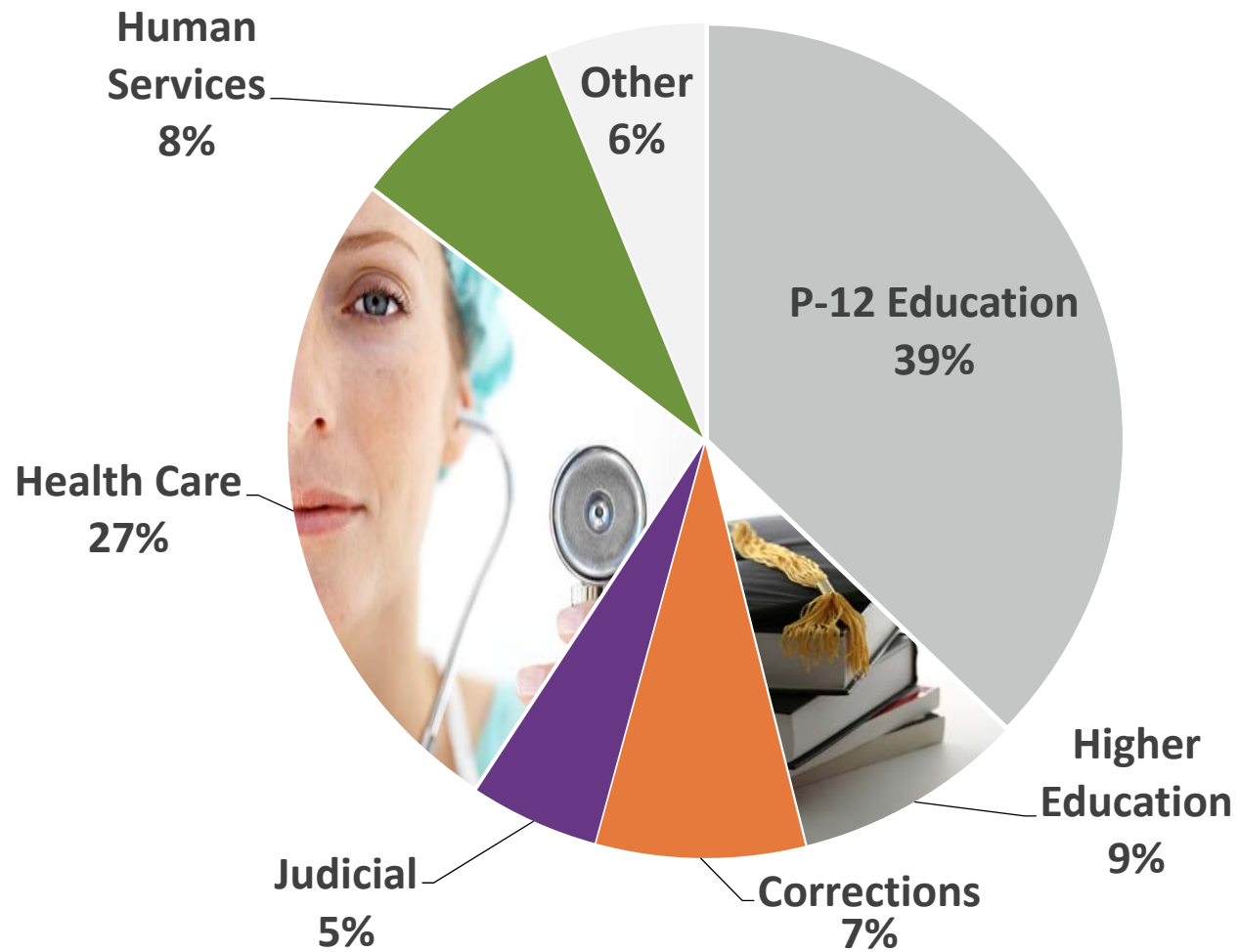
STATE OUTLOOK

**Tight
budgets
will
persist**

- ① State Budget
- ② Demand for Services
- ③ Structural Issues

State Budget

GENERAL FUND Operating \$10.6B

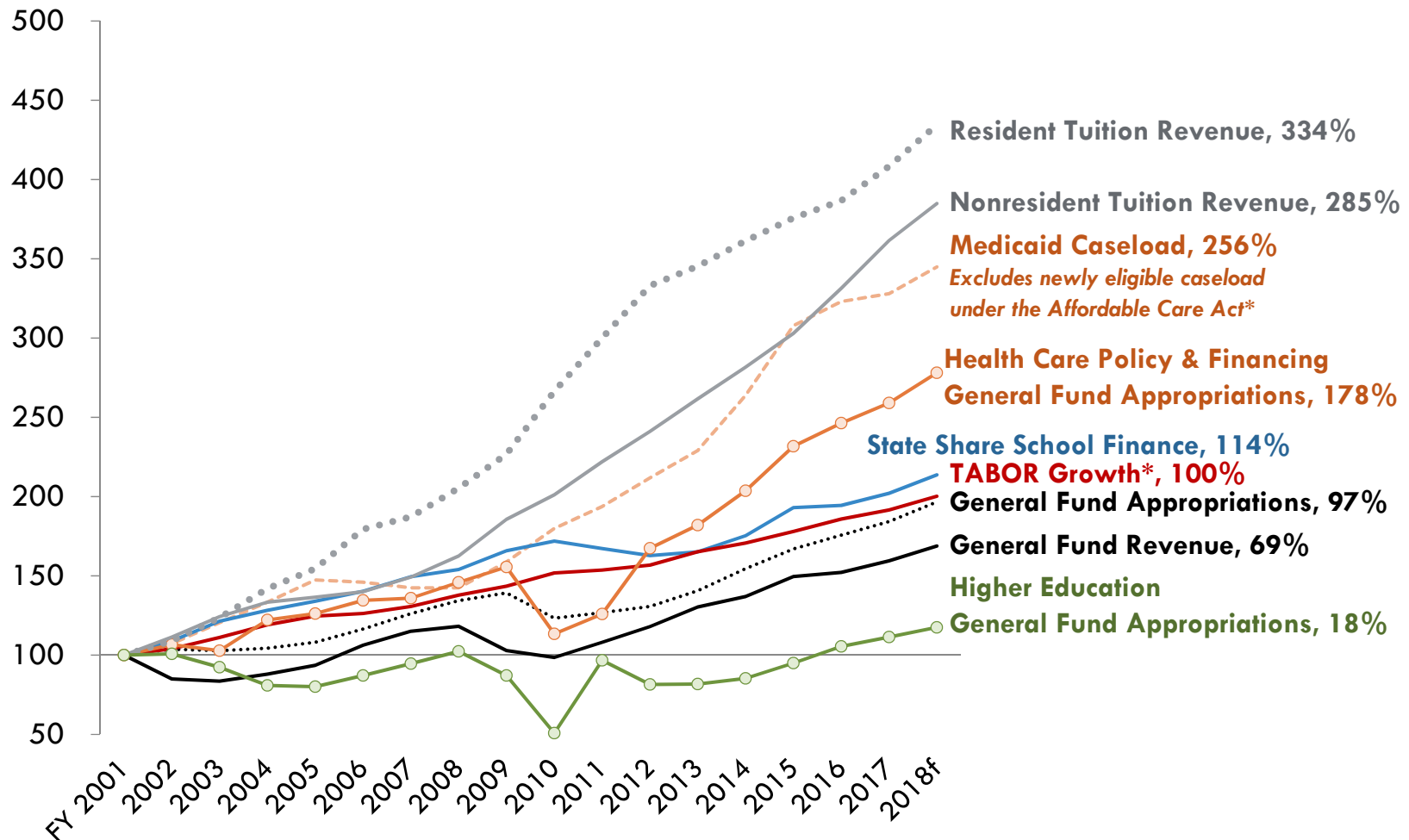


Source: FY 2017-18



State Budget

GENERAL FUND and Caseload Growth

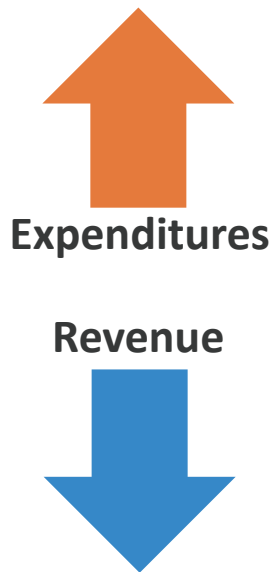


Source: CO Dept. of Education, U.S. Census Bureau & Bureau of Labor Statistics, and IBC Staff



Demand for Services

EXPENDITURES Change as Population Ages



- ▶ State and local pensions
- ▶ Health care
 - Low income elderly (Medicaid)
 - Higher insurance premiums for employers
- ▶ Shifts in demands for state services
 - Accessible transportation
- ▶ Shifts in support for services
 - Education

Structural Issues



LEGAL FRAMEWORK: The Constitution and School Finance

Gallagher Amendment

- 45/55 Property Tax Base Ratio
- Adjusts the Residential Assessment Rate

TABOR

- Requires a vote to increase the Residential Assessment Rate or Mill Levy
- For district's that have not “debruced,” requires mill levies to be reduced when revenue exceeds a district’s TABOR limit

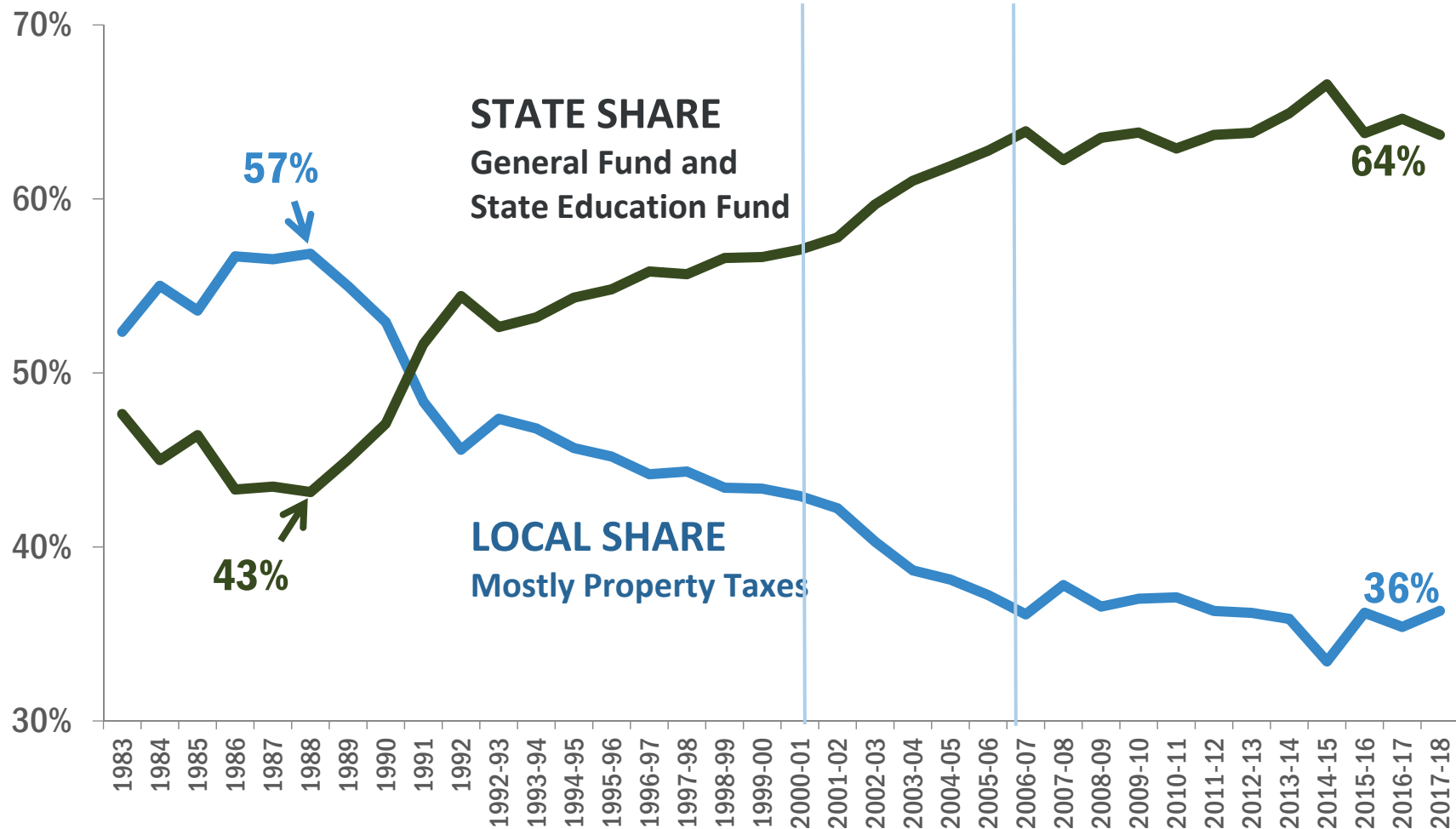
Amendment 23

- Requires “Base Funding” to Increase



Structural Issues

STATEWIDE IMPACTS to School Finance



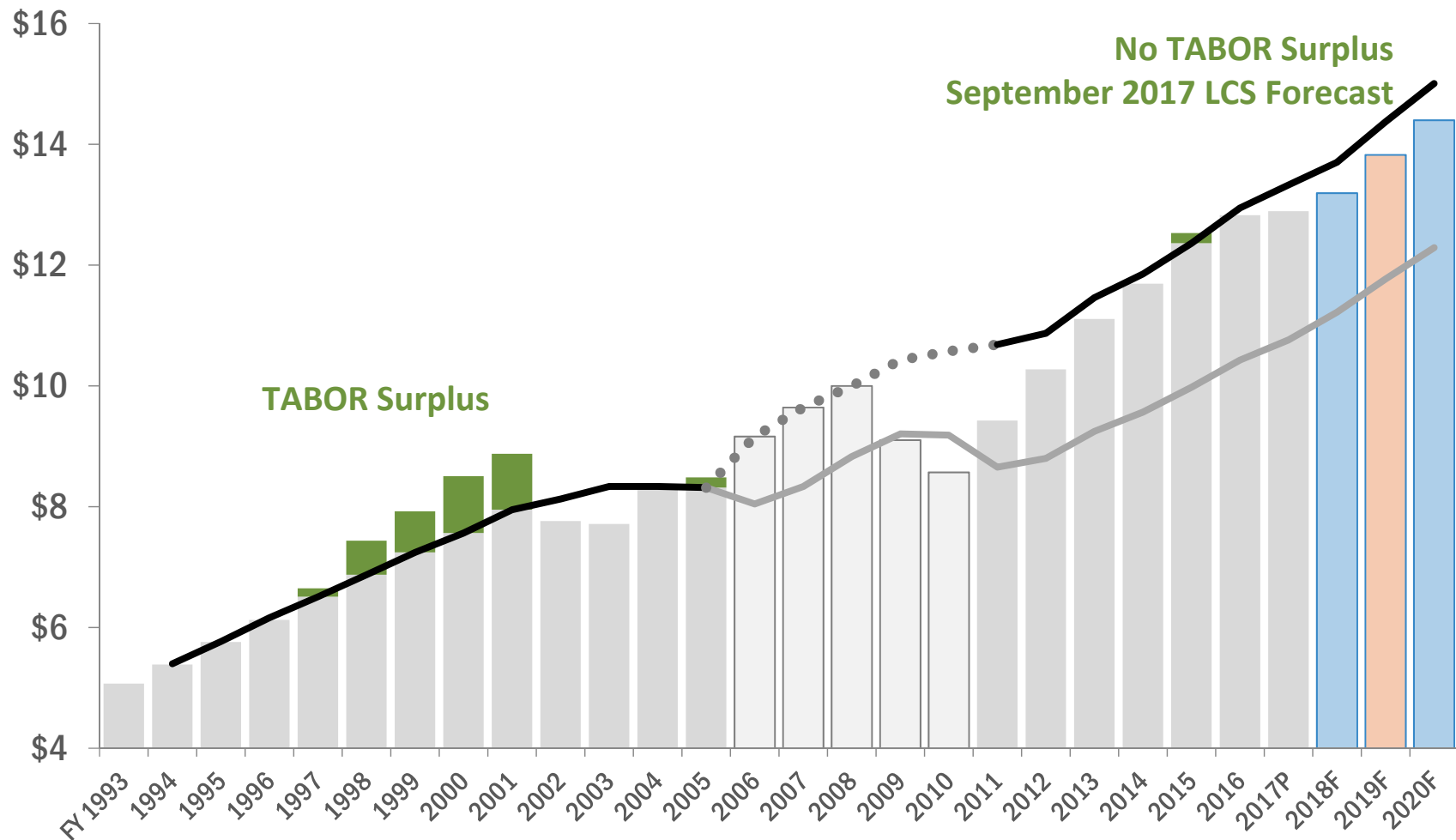
Relative State and Local Shares of School Finance, 1983 to FY 2015-16

Note: Prior to 1993, K-12 funding was done on a calendar year basis.



Structural Issues

TABOR REFUNDS and Referendum C



Source: Colorado State Controllers Office and Legislative Council Staff





2018-19 BUDGET

TIMELINE and Process

NOV

2018-19
Factors are
Set Based
on 2017
October
Count

Governor's
Proposed
Budget

DEC

Kick Off
SBB and BFO
Processes

Budget
Increase
Requests Due

School
Accountability
Committees
Meet to
Define
Priorities

JAN/FEB

Schools Enter
Budgets into
Hyperion

Community
Engagement/
SAC Reports

December
Forecast /
Outlook

Cabinet
Recommendations

Early
Direction/
Feedback

MAR

DAC Final
Community
Engagement
Results
Report

March
Forecast

Early BOE
Direction/
Feedback

Begin
Building
Budget

APR

Continue Fine
Tuning and
Building
Budget

Final BOE
Direction for
Proposed
Budget

MAY

Proposed
Budget Public
Hearing
May 3

JUN

Final BOE
Direction for
Budget
Adoption on
June 7

Governor's Proposal

2018-19 STATE ASSUMPTIONS

Proposed statewide assumptions
per the Governor's Budget Request
released in November.



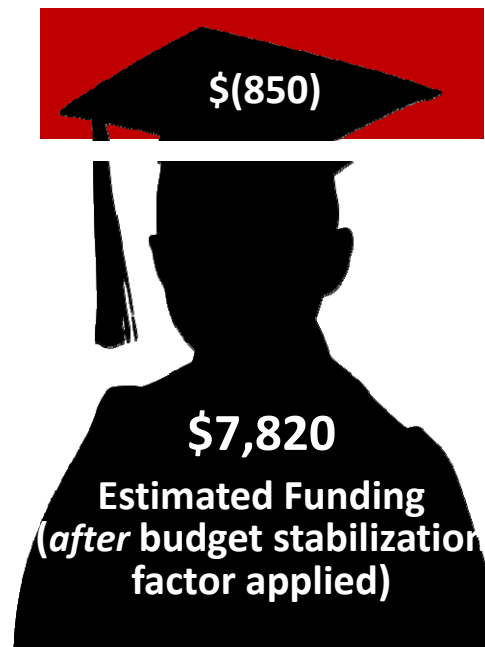
3% inflation – including categorical
funding

5,759 student enrollment growth

\$70M decrease to budget stabilization
factor

Governor's Proposal

Jeffco Public Schools'
Total Estimated Funding
for 2018-19
per the Governor's Proposal
\$8,670
*(before budget stabilization
factor applied)*



2018/2019 STATE ASSUMPTIONS Budget Stabilization Factor

The Governor's proposal would **decrease the budget stabilization factor** by:

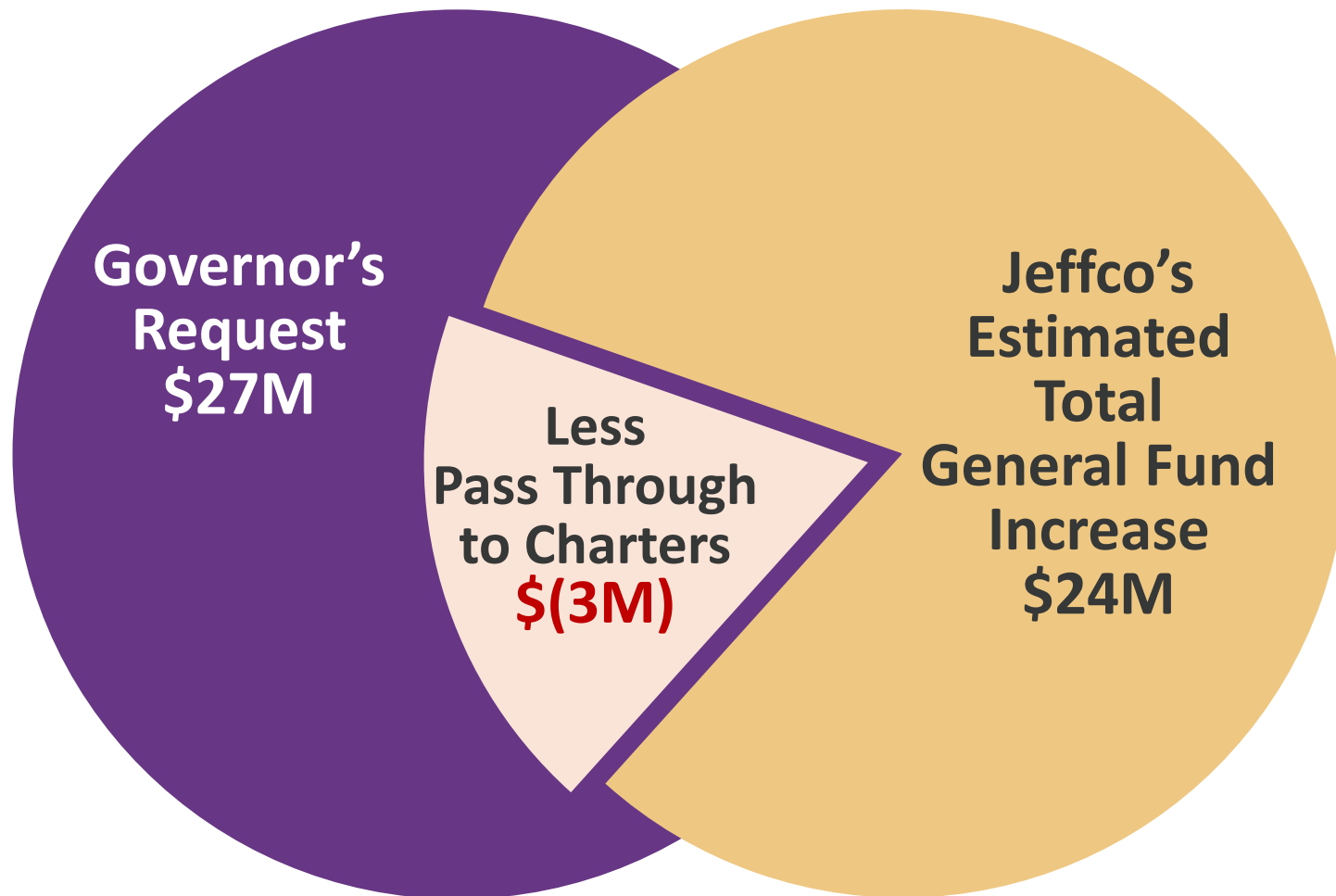
- **\$70M statewide**
- **Jeffco's Share \$7M**
- **Increases Jeffco's Per Pupil Revenue by \$84**

Quick Facts about Budget Stabilization Factor (formerly the negative factor):

- ▶ Last time factor increased was 2012-13
- ▶ Factor peaked in 2012-13 at **\$1.0B**
- ▶ Cumulative loss to Jeffco since inception (2010-11 through 2017-18) **\$642M**

Governor's Proposal

2018-19 STATE ASSUMPTIONS Jeffco Funding Update

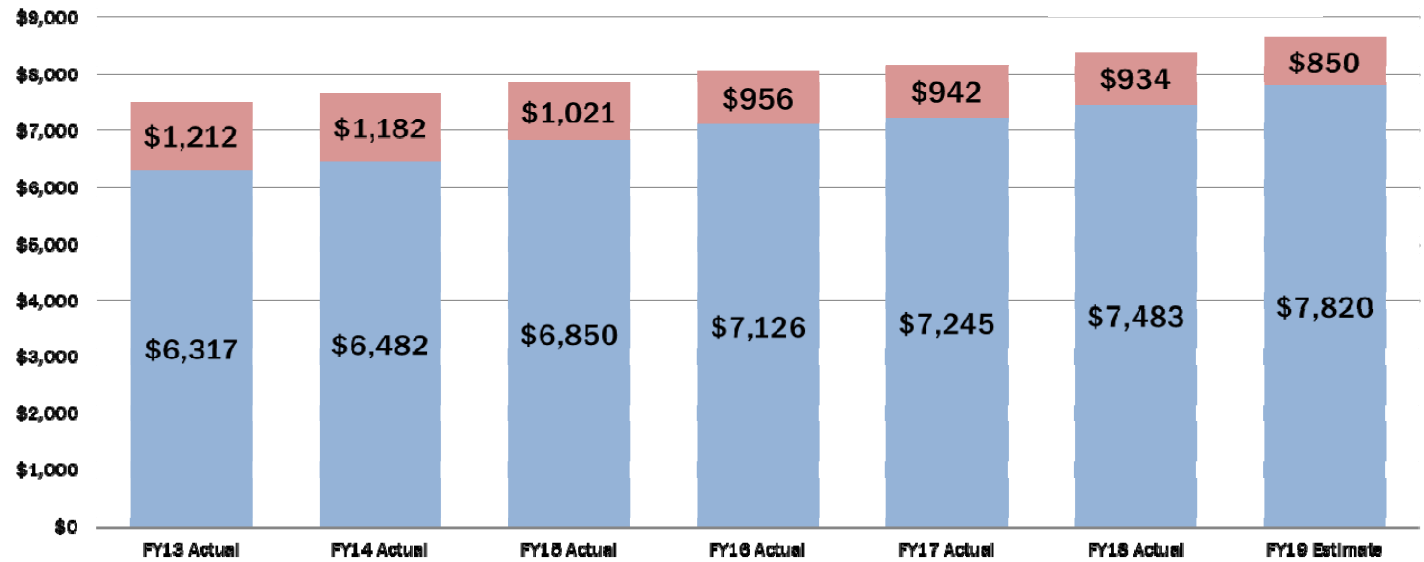


Governor's Proposal

TOTAL PROGRAM Funding Factors

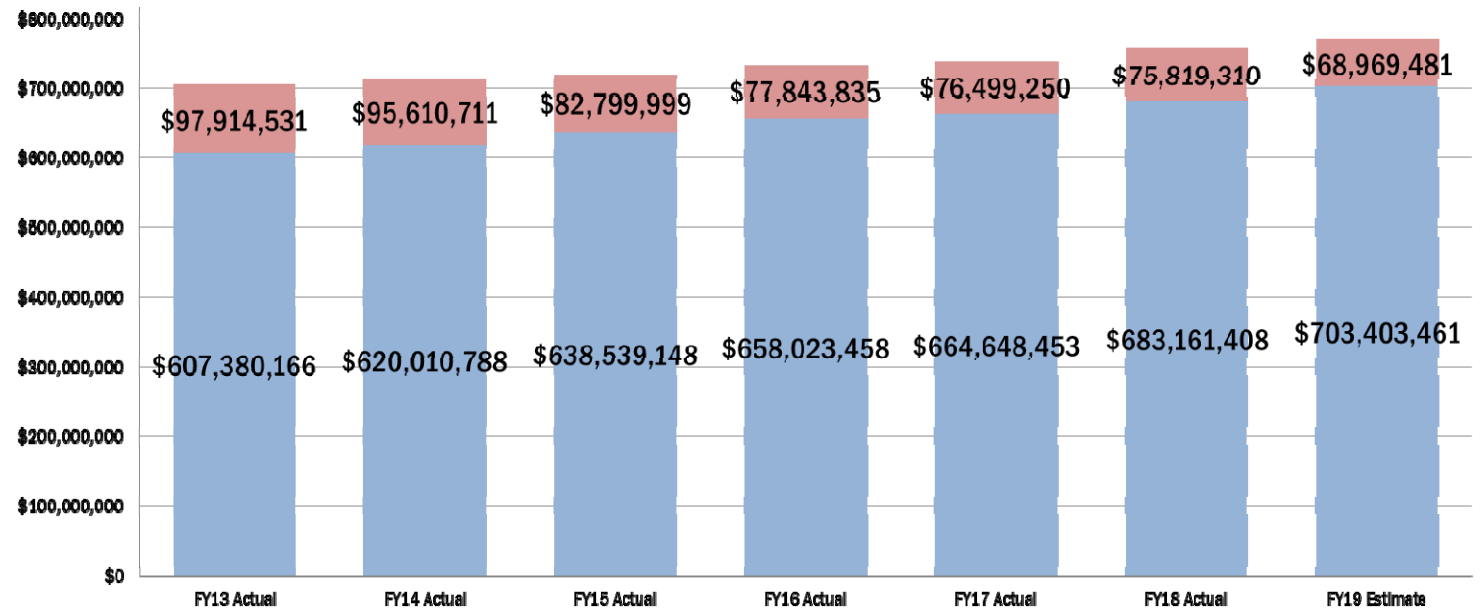
Total Per Pupil

■ Budget Stabilization Factor
■ Actual Total Program



Total Program

■ Budget Stabilization Factor
■ Actual Total Program





DISTRICT BUDGET

TWO-PART Budgeting Process



- ▶ For Schools
Student Based Budgeting (SBB)
- ▶ For Departments
Budgeting for Outcomes (BFO)

These processes work in unison to better align the budget with the district's strategic and long term financial plans.



STUDENT BASED BUDGETING



STUDENT BASED BUDGETING

Background

The Student Based Budgeting (SBB) model was implemented for the majority of schools for the 2015/2016 school year.

- ▶ Allocated **resources to schools** based on their student counts and factors such as at-risk.
- ▶ Directed funds to schools in support of **school-based decision-making**.
- ▶ Provided **equity** as funds were allocated in a uniform and consistent process based on the population each individual school serves.
- ▶ Provided **flexibility for site-based decisions** for staffing and spending within limited parameters known as defined autonomy.



Base Factors

K-6: \$4,795

7-8: \$4,965

9-12: \$4,515

At Risk
\$650

Elementary Impact

\$64,000

Enrollment =>400 and 60% F&R

Alternative
Education –
Senior Only
\$65,000

IB Factor

Elementary : \$40,000

Middle: \$45,000

Senior: \$50,000

Some sort of sliding scale on the equity factors by level





BUDGETING FOR OUTCOMES

BUDGETING FOR OUTCOMES (BFO)

aligns
with

STUDENT BASED BUDGETING

aligns

OUR PROCESSES

with

BOARD
ENDS

STRATEGIC
PLANNING
GOALS

LONG
TERM
FINANCIAL
PLAN

Manageable
with
existing staff
and
resources

BFO

OBJECTIVES

The key objective of BFO is to identify the best uses of our district's limited resources and to create a budget to maximize those resources.

Other objectives of BFO:

- ▶ **Budgeting priorities change with changes in the strategic plan.**
- ▶ **Focuses on programs that directly contribute to the success of the strategic plan.**
- ▶ **Takes into consideration future needs of the district.**



District Budget



COMPENSATION: 80 percent of the Budget

- ▶ **Negotiations with two groups**
 - **Jefferson County Education Association (JCEA)**
 - **Jeffco Education Support Professionals Association (JESPA)**
 - **Compensation negotiated every year**
- ▶ **Administrators – not a bargaining unit**
- ▶ **DAC may provide additional input on compensation**

ON THE ISSUES

- ▶ Superintendent message on Jeffco's Budget
 - \$1 billion budget
 - Administrative spending
 - Per pupil spending
 - Marijuana money

[http://www.jeffcopublicschools.org/about/publications/newsletters/on the issues/](http://www.jeffcopublicschools.org/about/publications/newsletters/on_the_issues/)

JEFFCO GENERATIONS

- ▶ Vision document builds on direction in Jeffco 2020 Vision

<http://www.jeffcopublicschools.org/about/generations>



District Budget

Billion Dollar Budget - Comparison

District	Total Budget	Enrollment
Fulton County, GA	\$1,546,845,944	95,460
Albuquerque, NM	\$1,341,634,571	93,001
Lee County, FL	\$1,508,771,993	89,364
Denver, CO	\$1,815,472,452	88,839
Prince William, VA	\$1,669,914,920	86,641
Jeffco Public Schools	\$ 978,915,960	86,581
Fort Worth, TX	\$1,191,226,447	85,795
Baltimore City, MD	\$1,455,496,000	84,796
Austin, TX	\$1,459,235,696	84,564
Davidson County, TN	\$1,292,397,700	84,069
Long Beach, CA	\$1,182,020,011	79,709



Let's do some research!



- ▶ Comparisons using the state transparency website:
 - coloradok12financialtransparency.com
- ▶ Compare three large districts:
 - What are some interesting data points to compare?
 - Specifically, how much is spent on admin per student?

QUESTIONS





SCHOOL OPERATIONS

AGENDA

- ➔ **Business Services Operations**
- ➔ **Food Services**
- ➔ **Transportation**
- ➔ **Facilities & Maintenance**
- ➔ **Security & Emergency Management**
- ➔ **Athletics & Activities**
- ➔ **Information Technology**



BUSINESS SERVICES OPERATIONS



Operations as an Internal Service

(No General Fund dollars budgeted)

Fund Comprised of 6 departments:

➤ Copier Program

- Provides copier equipment, supplies, paper, and repair service, 5 employees, produces 118,000,000 copies per year, 2017 revenue \$2,904,99.

➤ Printing & Graphic Design

- Provides printing services district wide, 4 employees, produces an average of 4,400 jobs per year, 2017 revenue \$614,089.

➤ Imaging Program

- Provides imaging services for HR and Student records, both past and present, over 2 million documents in application currently

➤ Mail Room and Paper Archives

- Provides mail room service including delivery of inter-office mail via transportation routes and manages paper archives for the district, 1 employee.

➤ Site Route Delivery

- Perform weekly route delivery for computer repairs, printing jobs, toner supplies, and other instructional material, 2 employees

➤ Business Process Management

- Provides business process management to all
- Support Services departments including Capital Planning and Asset Management



2017-18 Challenges & Projects



➤ Challenges

- Secure funding for Security's new system and associated equipment.
- Salary comparisons to public and private sectors in order to hire qualified staff when needed.
- Receive CPI budget increases for departments for parts/material and labor services.

➤ Projects

- Issue RFP and purchase a print management solution that will be used district-wide to track and manage printing usage and cost. Goal is to reduce cost.
- Modify two screens and workflow in Maintenance Management Work Order system used by Facilities Management and Copier program.
- Complete district-wide Imaging application upgrade.
- Document business process used by Fleet Management for inventory purchase and parts charging to work orders.
- Develop dashboards and reports for Support Services departments showing capital needs/plans and related projects.



FOOD SERVICES



Food & Nutrition Services

- Food and Nutrition Services (FNS) operates in **145 kitchens, 1 central warehouse, and 1 central kitchen.**
- In School Year 2016-17, we served approximately:
 - **4.9 million** lunch meals
 - **1.5 million** breakfast meals
 - **\$4.1 million** in a la carte sales
- FNS has roughly **460 employees** district-wide, including:
 - An Executive Chef
 - Four Registered Dietitians
 - Five Masters degree holders
 - Numerous Business, Management, and Nutrition degrees
- The FNS Leadership Team consists of **18 people** with more than **150 combined years of experience!**

Financial Management

Self-Sustaining Our program operates on:

Average income of \$3.51 per lunch meal

Average Income of \$1.94 per breakfast meal

Meal Cost

(includes an entrée item, milk, fruit or vegetable, and tray)

We have roughly to spend \$1.61 per lunch meal

We have roughly \$0.94 to spend per breakfast meal

Commodity Assistance

We receive approximately \$1.6 million in commodity assistance

Over \$500,000 of this is spent on fresh produce



Food & Nutrition Services



➤ FNS offers the following programs:

- School Breakfast Program
- National School Lunch Program
- Afterschool Snack Program
- Fresh Fruit and Vegetable Program
- Summer Food Service Program
- Breakfast After the Bell Program
- Catering Services

➤ Learn more and connect with us online:

- www.jeffcopublicschools.org/services/food_services
- Social Media: Jeffco School Food - @JeffcoK12Food





TRANSPORTATION

Department Statistics

No. Employees (Transportation/Fleet Services)	570/32
Scheduled Miles per Day	24,679
Eligible Students	31,705
No. Students (scheduled) Transported (Includes SPED)	17,759
SPED Students Transported	1,144
District Sq. Miles (4 area terminals/6 shops)	778
Total Activity Trip Miles	376,992
Total Bus Miles Daily/Annually	25,349/4,363,112
Overall Expense per Mile	\$4.75
Overall Cost per Transported Student	\$1,404
No. Buses in Fleet	420
Maintenance Cost	\$4,792,725
Avg. Maintenance Cost	\$54,226
Operational Cost	\$9,087,350
Avg. Operational Cost per Bus	\$100,741
Cost per Mile	\$0.66



Challenges & How We Move Forward

- **Hiring** drivers, bus assistants & mechanics
- Federal **government mandates** on seat belts
- Stricter **physical/medical** regulations
 - (Transportation is **regulated by 9 agencies** [6 Federal, 2 State & 1 Local] – USDT, FTA, FMVSS, FMCRR, FMCSA, NHTSA, CDOT, CDE & JEFFCO BOE)
- **Growth SPED** transportation
- Continue improving **communications**
- Terminals/shops **outgrowing current facilities**
- Aging fleet & meeting **CDE's per bus requirements**
 - (Jeffco Public Schools 30:1 bus to mechanic ratio/CDE recommends a 20-22:1 bus to tech ratio)
- **Bell Times**





FACILITIES & MAINTENANCE

Facilities & Maintenance

➤ Who We Are

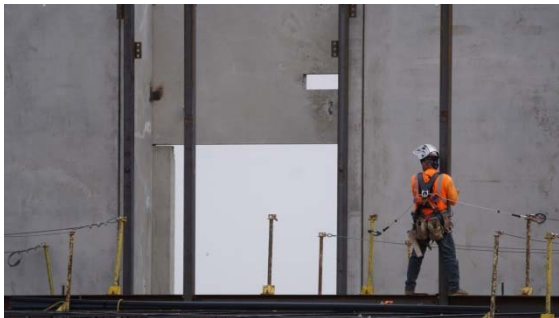
- Building Maintenance
- Construction Management
- Custodial
- Energy Management
- Environmental Services
- Planning & Property
- Site Maintenance
- Facilities FY 2018 Budget: \$51 Million
- Construction Management Capital FY 2018 Budget: \$22.5 Million
- Staff: 32 Administrative (17 supervisory);
- 662 Classified

➤ What We Manage

- 11.7 Million Square Feet of Improvements
- Land Area of 3,100 Acres
- Portfolio Valued at \$2.75 Billion
- Average Age 50 Years
- 394 Permanent Buildings
- 325 Modular ('Temporary') Buildings
- 5 – Pre-School, 89 – Elementary, 5 – K-8,
- 17 – Middle, 2 – 7-12, 15 – High, 17 – Option Schools
- 4 – Stadia, 10 – Administrative, 5 – Maintenance & Transportation Sites, 6 – Water & 7- Wastewater Treatment Facilities



Facilities & Maintenance



➤ Challenges

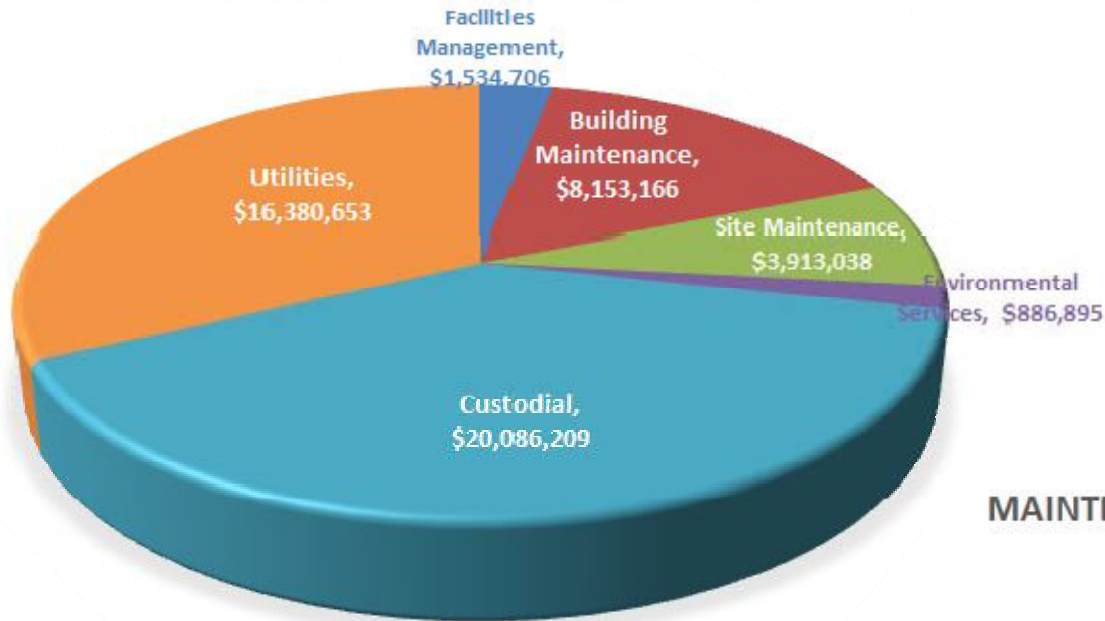
- Lack of CPI Funding of Expenses
- Underground Infrastructure i.e., Water, Sewer Lines
- Increasing Utility Expenses
- Increasing Regulations, Unfunded Mandates
- Deferred Area Cleaning
- Lack of Qualified Applicants for Positions
- Increasing Construction Costs, Reliance on Third Party Vendors
- Technological Obsolescence of Systems
- Service Vehicle Replacement
- Increasing Capital Building Deficiencies

➤ How We Address Them

- Resource Conservation Through Technology and Education
- Equipment Modernization
- Increased Staff Training Opportunities,
- Increased Preventative Maintenance
- Strategies for the Reduction of Underutilized Square Footage
- Increased Reliance on Third-Party Vendors
- Prioritization of Building Deficiencies
- Departmental Coordination
- Targeted Capital Improvements

Facilities & Maintenance

FY 2018 FACILITIES DEPARTMENT BUDGET



MAINTENANCE & OPERATIONS COST PER S.F.





SECURITY & EMERGENCY MANAGEMENT

Security & Emergency Management



24/7/365 department that includes:

- Judicial Services & Threat Management Team of 3
- Armed Patrol Division of 18
- Unarmed high school campus supervisor Team of 78
- Emergency Dispatch Center of 11
- Emergency Management Section of 1
- 1 executive director, 4 managers & 1 administrative assistant



Growing Challenges

- **51 reports of planned school attacks received in 2016-17**
- **550 threat assessments 2016-17**
 - **78% increase** from the prior year
 - Still increasing at a similar rate this school year
- **Dispatch center handled over 70,000 phone & radio calls in**
 - **An increase from 45,000** two years earlier
- **Patrol team responded to 29,000 calls for service in 2016-17**
- **9 gun issues involving students during first 3 ½ months of this school year**
- **1,129 Safe2Tell reports submitted by students in crisis 2016-17.**
 - **57% increase** over the previous year.
- **1,471 suicide risk assessments in 2016-17**
 - **931 suicide risk assessments** this year, as of December 1





ATHLETICS & ACTIVITIES

Athletics & Activities



➤ Over 12,600 total high school participants in Athletics

- 26 Varsity sanctioned* sports for girls and boys
- 665 teams between 18 high schools (all sports and levels)
- Approximately 1,100 coaches

➤ Over 8,700 total high school participants in Activities

- 10 sanctioned* or sponsored activities – Band, Choir, Forensics, Yearbook
- Student Government, Spirit (Cheer & Dance), Theatre, Musical, Newspaper,



➤ Benefits of Participation

- Learn life-long skills
- Better attendance; Fewer discipline issues; Higher GPA
 - Participate in Athletics & Activities 3.31gpa
 - Do not participate 2.70gpa (2016-17)
- Sense of community and inclusion



*CHSAA sanctioned and/or District funded stipend

Athletics & Activities

➤ Health & Safety

- Coach requirements: CPR, First Aid, AED, Concussion training
- Trainer Contract w/ Panorama Orthopedic & Spine Center; each school covered
- Emergency Plans at all District sites

➤ Budget - \$9.8M (2016-17)

- Major expenses include Coach/Sponsor stipends, salaries, Trainer contract,
- Transportation, Officials pay, Playoff Expenses, and Athletic Supplies
- Revenues = \$2.6M (Includes participation fees, gate receipts, athletic passes, etc.)

➤ Challenges

- Aging facilities, Space capacity has not kept up with growth in sports and participation
- Athletic Supply funding: Avg. 20 sports per each of 18 high schools = \$2,500/sport well short of needed funding for uniforms and equipment
- Increased expenses in Officials fees, Trainer contract, Transportation, Membership dues
- Stadium expenses, Playoff travel and hosting expenses.
- Attracting quality, experienced coaches and athletic administrators

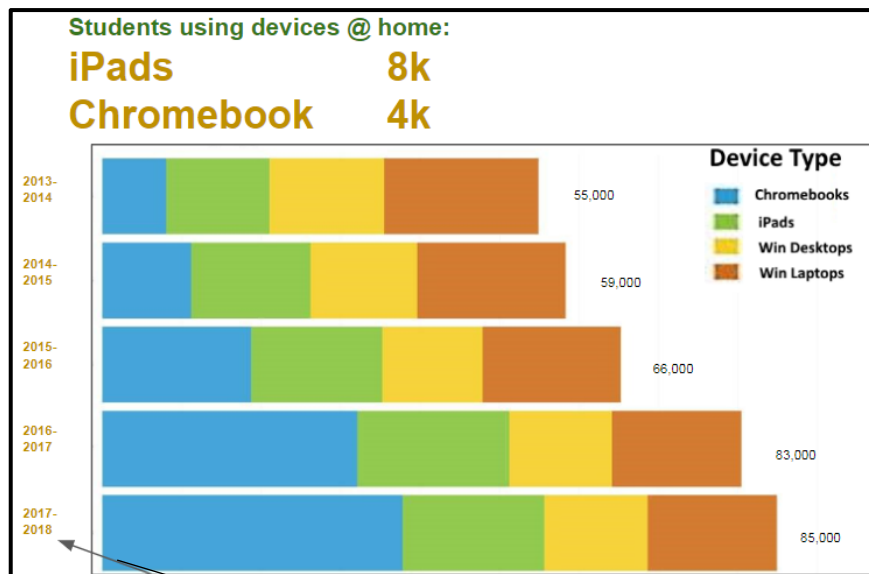




INFORMATION TECHNOLOGY

Technology Used for Instruction

Over 96,000 devices in the District



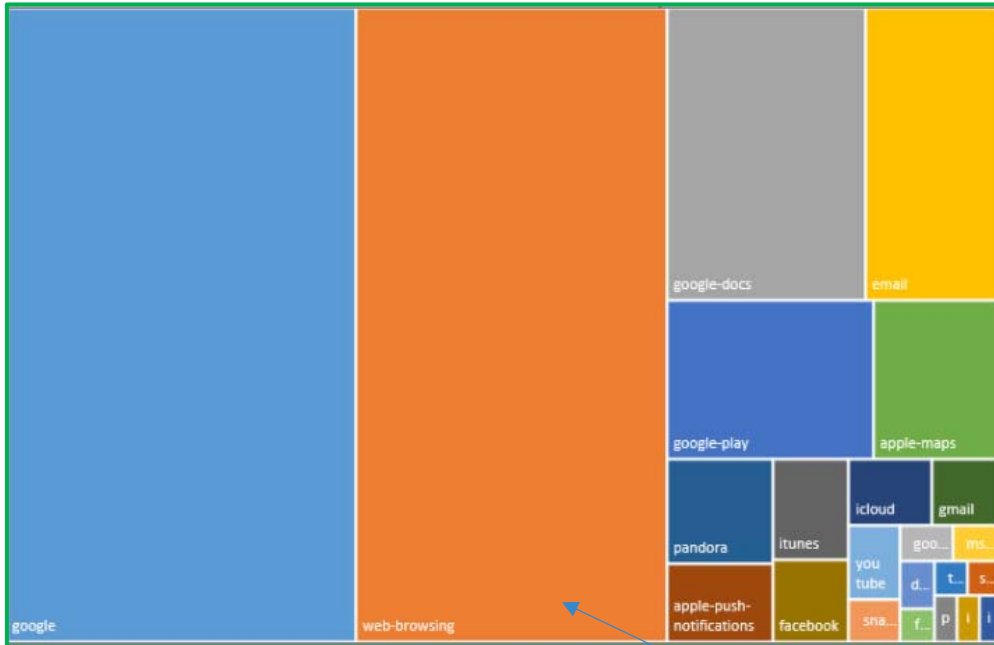
First Quarter Purchases:

- 3,538 Chromebooks
- 748 Window Laptops
- 608 iPads
- 427 Windows Desktops



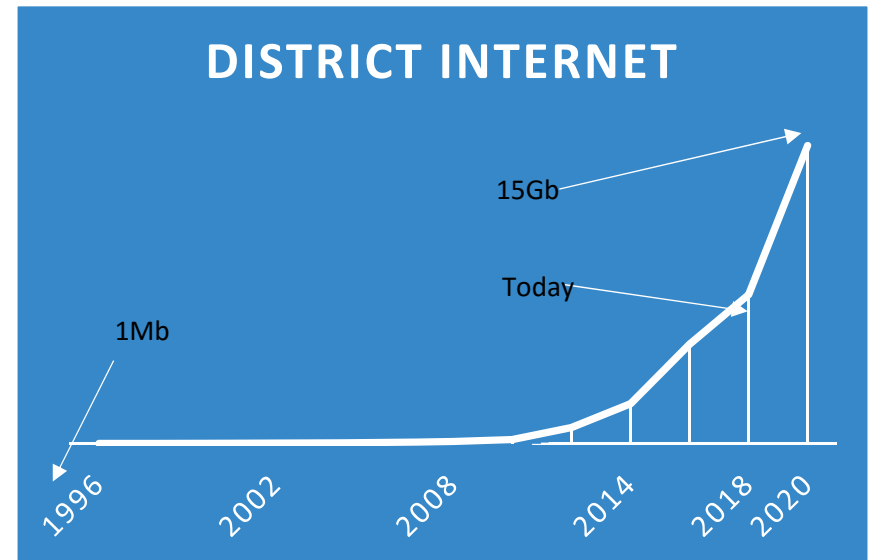
11,500 support tickets logged during peak times (start of school) vs 5,000 in an average month

Network | Infrastructure



*Top
applications
accessed on
the network*

- **145,000** users access Jeffco systems
- **25,000** users log into Campus or Schoology on an average day
- **114,484** active users are registered in Google
- **59,000** unique Google Documents are created in one day
- In the month of October the Google Apps Resource page was viewed **2,336,915** times



- **Over 150** individual circuits
- **6,700** wireless access points
- **300** physical servers
- **1,500** virtual servers

Technology Projects

- **Device 1-1 Initiative 2018**
- **Upgraded Network – Fiber Project 2015-2025**
- **Student Information System Upgrade 2018-2020**
- **Storage Upgrade 2018**
- **Food Service System 2017-2019**
- **Business Intelligence/Analytics 2017-2018**

Approximately 30% of our schools currently are doing some type of 1-1 model and it is anticipated that over 50% will be 1-1 for the 2018/19 school year

CoSN/ConnectEd 2020 goal
1000kb or 1Mb per student

